
# Why This TSX Stock Will Always Do Better Than a Growth Stock

### Description

When it comes to investing, investing for the long term is always better. Sure, you might think that you'll find the next growth stock and become a millionaire overnight. But not only are the odds of that happening slim, but you could also achieve it far easier in a much more stable TSX stock.



Today, I'm going to look at one stale TSX stock I would recommend — one that all but guarantees you'll achieve wealth in the long run, instead of risking your hard-earned cash on a growth stock.

Let's look at the stock in question and pair it with a growth stock like **Amazon** (NASDAQ:AMZN) to see how it does.

## TD stock

If you're looking for long-term investment, then I would go with a Big Six bank. These banks have more conservative growth than their United States counterparts, and that's a good thing. This is because that conservative growth allows them to put cash aside for provisions for loan losses.

Those provisions are being used right now by the Big Six banks with loan originations down across the board. This comes, of course, from rising interest rates and inflation leading Canadians to take out fewer loans.

But of all the banks, I would go with **Toronto Dominion Bank** (TSX:TD) right now. This bank has a long history of stellar growth, true. But it also has a huge future of growth as well. TD stock is making stellar partnerships with credit card companies and expanding into the United States and online at a rapid pace.

What's more, it has a number of loan repayment options and plans for any Canadian at any point in their financial journey.

## Looking back

Now, let's look at the past 20 years and see how TD stock has done. You can see in the table below that shares started out at about $17 back in 2003. Today, those shares are at $93.23. Even with dips in the market during recessions, those shares are still up 1,092% in two decades!

Let's look at Amazon stock during that time. Shares started out at $1.25 and are now at $102. That's growth of 9,280% — certainly higher than TD stock.

## But there's something else here

If you look at TD stock and Amazon stock, you'll see that shares are far more stable at growing than with Amazon stock. It took decades for the company to achieve incredible growth, and much of it has come down in the last few years alone.

Meanwhile, TD stock has remained on a fairly stable trajectory. In fact, in the last three years TD stock is up 39%, but Amazon stock is *down* 4%. And if you're investing your money, you'll certainly want stability over sudden, insane growth, because sudden growth means volatility.



What it comes down to is we *don't* know what Amazon stock will be doing in the future. However, we *do* know what TD stock will be doing. It currently has a compound annual growth rate (CAGR) of 13% from the last 20 years, which is likely to continue. Meanwhile, Amazon stock has a 25% CAGR in that time, but that's dropped to 8% if we look at the last five years.

Furthermore, Amazon stock *doesn't have a dividend!* TD stock offers a 4.14% yield that you get no matter what — yet another reason to consider the stock.

## Bottom line

If you're investing in a TSX stock, choose a company that you're going to be happy with for decades — not just a year or two. Because while we'd like to think we'll find that next big company, there's no telling what will happen, and certainly no telling when you might need to sell.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NASDAQ:AMZN (Amazon.com Inc.)
2. TSX:TD (The Toronto-Dominion Bank)

**PARTNER-FEEDS**

1. Business Insider
2. Flipboard

3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

**PP NOTIFY USER**

1. alegatewolfe
2. kduncombe

**Category**

1. Dividend Stocks
2. Investing

**Date**
2025/07/22
**Date Created**
2023/02/14
**Author**
alegatewolfe